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ARTICLES OF AMENDMENT

TO THE DEPARTMENT OF STATE
Corporation Bureau
Commonwealth of Pennsylvania

In compliance with the requirements of Article VIII of the Pennsylvania Business Corporation Law, Act of May 5, 1933, P.L. 364, as amended, the applicant, Colt Industries Pennsylvania Corporation, desiring to amend and restate in their entirety its Articles, hereby certifies under its corporate seal that:

1. The name of the Corporation is Colt Industries Pennsylvania Corporation and its registered office is located at c/o C T Corporation System, Oliver Building, Mellon Square, Pittsburgh, Pennsylvania 15222.
2. The Corporation was incorporated on March 12, 1976 under the Act of May 5, 1933, P.L. 364, as amended.
3. The amendment was adopted on May 5, 1976 at a Special Meeting of the sole shareholder of the Corporation held at 10:00 a.m., 430 Park Avenue, New York, New York 10022 pursuant to a written notice given more than five days before said Special Meeting.
4. At the time the action of the sole shareholder of the Corporation was taken, the total number of shares outstanding and entitled to vote was 1,000 shares of Common Stock, par value \$1 per share.
5. In the action taken by the shareholders, all the

3-1-76:19

702

2

outstanding shares of Common Stock of the Corporation were voted in favor of the amendment.

6. The amendment adopted by the shareholders was to approve and adopt the Amended and Restated Articles of Incorporation of this Corporation set forth in full on Exhibit A hereto attached and made a part hereof.

IN TESTIMONY WHEREOF, the undersigned corporation, Colt Industries Pennsylvania Corporation has caused these Articles of Amendment to be signed by its President and Secretary and its corporate seal, duly attested by another such officer, to be hereunto affixed this 6th day of May 1976.

[CORPORATE SEAL]

COLT INDUSTRIES PENNSYLVANIA
CORPORATION

Attest:

Donald E. O'Keefe
Title: Assistant Secretary

By Samuel L. Murphy
Title: President

By William J. [Signature]
Title: Secretary

Filed in the Department of State on the 6th day of
May 1976.

C. McLaughlin Tucker
Secretary of the Commonwealth
TES/he

3-1-76:19

703

EXHIBIT A

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
COLT INDUSTRIES INC

ARTICLE FIRST

The name of the corporation (herein called the Corporation) is Colt Industries Inc.

ARTICLE SECOND

The location and post office address of its initial registered office in this Commonwealth is c/o CT Corporation System, Oliver Building, Mellon Square, Pittsburgh, Pennsylvania 15222.

ARTICLE THIRD

The Corporation is organized under the provisions of the Business Corporation Law for the following purposes, which shall be construed independently of each other:

(a) To carry on in all its branches a general manufacturing business in ferrous, non-ferrous and alloyed metals and any other materials;

(b) To buy, sell, lease, mine, manufacture, produce, extract, manage, operate, hold and deal in and with real and personal property of every kind and description;

(c) To engage in mercantile, manufacturing, processing, research, development, trading and service businesses of any kind and character; and

(d) To invest in, and to aid by loans, by making guarantees and in any other manner, any business enterprises affiliated with this Corporation, or in which this Corporation has any direct or indirect interest, or with which this Corporation does business, or the business of which is a direct or indirect benefit to this Corporation.

The Corporation shall also have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law.

The term for which the Corporation is to exist is perpetual.

ARTICLE FOURTH

4.1. The total number of shares of stock of all classes which the Corporation shall have authority to issue is 17,935,662, of which 15,000,000 shares of the par value of \$1 each are to be of a class designated "Common Stock" and 2,935,662 shares of the par value of \$1 each are to be of a class designated "Serial Preferred Stock", provided that the number of shares of Serial Preferred Stock which the Corporation shall have authority to issue shall not exceed the sum of (a) the aggregate number of shares of the first five series of Serial Preferred Stock hereinafter provided for in Sections 4.15 through 4.20, inclusive, of this Article Fourth, plus (b) 1,633,298.

4.2. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the classes of stock of the Corporation

which are set forth in these Articles of Incorporation, and a statement of the authority hereby vested in the Board of Directors to fix by resolution or resolutions providing for the issue of Serial Preferred Stock the voting rights, if any, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the shares of Serial Preferred Stock which are not set forth in these Articles of Incorporation, are specified in Sections 4.3 through 4.20, inclusive, of this Article Fourth.

4.3. The Serial Preferred Stock may be issued from time to time in one or more series of any number of shares, provided that the aggregate number of shares issued and not canceled of any and all such series shall not exceed the total number of shares of Serial Preferred Stock hereinabove authorized. Each series of Serial Preferred Stock shall be distinctively designated by letter or descriptive words. All series of Serial Preferred Stock shall rank equally and be identical in all respects except as permitted by the provisions of Section 4.4 of this Article Fourth. Except as otherwise provided in Sections 4.13, 4.14, subsections (d), (g) and (h) of Section 4.15 and subsection (h) of Sections 4.16, 4.17, 4.18, and 4.20, different series of Serial Preferred Stock shall not be construed to constitute different classes of shares for the purpose of voting by classes.

4.4. Subject to the provisions of Sections 4.15 through 4.20, inclusive, of this Article Fourth, which specify the voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the first five series of Serial Preferred Stock, authority is hereby vested in the Board of Directors from time to time to issue the Serial Preferred Stock as Serial Preferred Stock of any other series and in connection with the creation of each such series to fix by resolution or resolutions providing for the issue of shares thereof the voting powers, if any, the designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of such series to the full extent now or hereafter permitted by these Articles of Incorporation and the laws of the Commonwealth of Pennsylvania, in respect of the matters set forth in the following subsections (a) to (i), inclusive:

(a) the distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by action of the Board of Directors;

(b) the dividend rate of such series, the date of cumulation (as defined in Section 4.11 of this Article Fourth) of such series and any limitations, restrictions or conditions on the payment of dividends;

(c) the price or prices at which, and the terms and conditions on which, the shares of such series may be redeemed by the Corporation, plus an amount equal to accrued dividends (as defined in Section 4.11 of this Article Fourth);

(d) the amount or amounts payable upon the shares of such series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(e) whether or not the shares of such series shall be entitled to the benefit of a purchase fund or sinking fund to be applied to the purchase or redemption of shares of such series and, if so entitled, the amount of such fund and the manner of its application;

(f) whether or not the shares of such series shall be made convertible into, or exchangeable for, shares of any other class or classes of stock, or of any series thereof, of the Corporation or shares of any other series of Serial Preferred Stock, and, if made so convertible or exchangeable, the conversion price or prices, or the rate or rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(g) whether or not the shares of such series shall have any voting rights, either general or special, in addition to the voting rights conferred upon the Serial Preferred Stock by the provisions of this Article Fourth and, if additional voting rights are so granted, the extent of such additional voting rights;

(h) whether or not the shares of such series shall be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional Serial Preferred Stock (including additional shares of such series or of any other series), and upon the payment of dividends (in addition to those provided in Sections 4.5 and 4.6 of this Article Fourth) or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding stock of the Corporation; and

(i) such other preferences, rights, restrictions and qualifications as shall not be inconsistent herewith.

4.5. The holders of Serial Preferred Stock of each series shall be entitled to receive, when and as declared by the Board of Directors, dividends in cash at the rate for such series specified in Section 4.15, 4.16, 4.17, 4.18 or 4.20 or fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth, and no more, payable quarterly on the last days of March, June, September and December of each year (each of such quarterly periods being hereinafter called a dividend period), in each case from the date of cumulation of such series. Dividends on Serial Preferred Stock shall be cumulative whether or not there shall be net profits or net assets of the Corporation legally available for the payment of such dividends. If at any time full cumulative dividends (as defined in Section 4.11 of this Article Fourth) upon the Serial Preferred Stock of all series to the end of the then current dividend period shall not have been paid or declared and a sum sufficient for payment thereof set apart for such payment, the amount of the deficiency shall be fully paid, but without interest, or dividends in such amount shall be declared and a sum sufficient for the payment thereof shall be set apart for such payment, before any sum or sums shall be set aside for or applied to the purchase or redemption of Serial Preferred Stock of any series (either pursuant to any applicable purchase fund or sinking fund provisions or any redemptions authorized pursuant to Section 4.9 of this Article Fourth or otherwise) or set aside for or applied to the purchase of Junior Stock (as defined in Section 4.7 of this Article Fourth), and before any dividend shall be declared or paid or any other distribution ordered or made upon the Junior Stock, other than a dividend payable in Junior Stock; *provided, however*, that any moneys deposited in the purchase fund or sinking fund provided for any series of Serial Preferred Stock in the resolution or resolutions providing for the issue of shares of said series, in compliance with the provisions of such purchase fund or sinking fund and in compliance at the time of such deposit with the provisions of this Section 4.5, may thereafter be applied to the purchase or redemption of Serial Preferred Stock in accordance with the terms of such purchase fund or sinking fund whether or not at the time of such application full cumulative dividends upon the outstanding Serial Preferred Stock of all series to the end of the then current dividend period shall have been paid or declared and set apart for payment. No dividends shall be declared on any series of Serial Preferred Stock in respect of any dividend period unless there shall likewise be and have been declared on all shares of Serial Preferred Stock of each other series at the time outstanding like dividends for such dividend period, ratably in proportion to the respective dividend rates per annum fixed therefor as herein provided.

4.6. The Corporation shall not set aside any sum or sums for or apply any sum or sums to the purchase of Junior Stock, or declare or pay any dividend upon Junior Stock (other than a dividend payable in Junior Stock), or order or make any distribution upon Junior Stock,

(a) if, after giving effect to such purchase, dividend or distribution, as though made or paid, the sum of the capital and surplus of the Corporation would be reduced to an amount less than the sum of (i) the aggregate preferential amounts which the holders of Serial Preferred Stock of all series then outstanding would be entitled to receive upon the involuntary liquidation of the Corporation, plus (ii) the aggregate amount of capital attributable to all shares of Junior Stock (including the aggregate par value of all such shares having a par value) then outstanding; and

(b) unless the Corporation shall have complied with the purchase fund or sinking fund provisions, if any, of the resolution or resolutions providing for the issue of any series of Serial Preferred Stock, other than the first four series, then outstanding.

4.7. Subject to the foregoing, the holders of Junior Stock shall be entitled, to the exclusion of the holders of Serial Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board of Directors. The term "Junior Stock" whenever used in this Article Fourth with reference to the Serial Preferred Stock shall mean the Common Stock and any other class or classes of stock over which the Serial Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation or dissolution or winding up of the Corporation.

4.8. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of Serial Preferred Stock of each series then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of Junior Stock, the amount specified in Section 4.15, 4.16, 4.17, 4.18 or 4.20 or fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth for every share of their holdings of Serial Preferred Stock of such series. If upon any liquidation, dissolution or winding up of the Corporation the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of Serial Preferred Stock of all series the full amounts to which they respectively shall be entitled, the holders of Serial Preferred Stock of all series shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares of Serial Preferred Stock held by them upon such distribution if all amounts payable on or with respect to Serial Preferred Stock of all series were paid in full. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment shall have been made to the holders of Serial Preferred Stock of the full amount to which they shall be entitled as aforesaid, the holders of Junior Stock shall be entitled, to the exclusion of the holders of Serial Preferred Stock of any and all series, to share, ratably according to their respective rights and preferences and in each case according to the respective number of shares held by them, in all remaining assets of the Corporation available for distribution to its shareholders. Neither the merger or consolidation of the Corporation into or with another corporation nor the merger or consolidation of any other corporation into or with the Corporation, nor the sale, transfer or lease of all or substantially all the assets of the Corporation, shall be deemed to be a liquidation, dissolution or winding up of the Corporation, *provided* that any such merger or consolidation or sale, transfer or lease shall have been approved by the affirmative vote of the holders of two-thirds of the total number of shares of Serial Preferred Stock of all series then outstanding, except the \$1.60 Cumulative Preferred Stock, Convertible Series A (the special voting rights of which in such event are specified in subsection (d) of Section 4.15), voting together as a single class, *provided further* that holders of shares of Serial Preferred Stock of a series the rights of which are hereafter fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth shall not be entitled to participate in such class vote and such merger or consolidation or sale, transfer or lease shall not be deemed to be a liquidation, dissolution or winding up of the Corporation with respect to such series unless, in each case, the resolution of the Board of Directors fixing the rights of such series otherwise provides.

4.9. Subject to the provisions of Sections 4.15 through 4.18, inclusive, and Section 4.20 of this Article Fourth and to any requirements which may be applicable to the redemption of any given series of Serial Preferred Stock other than the first five series as provided in any resolution or resolutions providing for the issue of such series of Serial Preferred Stock, the Serial Preferred Stock of all series, or of any series thereof, or any part of any series thereof, at any time outstanding, may be redeemed by the Corporation at its election expressed by resolution of the Board of Directors, at any time or from time to time, upon not less than 30 days' previous notice to the holders of record of Serial Preferred Stock to be redeemed, given by mail in such manner as may be prescribed by resolution or resolutions of the Board of Directors:

(a) if such redemption shall be otherwise than by the application of moneys in any purchase fund or sinking fund, at the redemption price specified in Section 4.15, 4.16, 4.17, 4.18 or 4.20 or fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth, at which shares of Serial Preferred Stock of the particular series may then be redeemed at the option of the Corporation, and

(b) if such redemption shall be by the application of moneys in any purchase fund or sinking fund, at the redemption price, fixed as provided in Section 4.4 of this Article Fourth, at which shares of Serial Preferred Stock of the particular series may then be redeemed through or for such purchase fund or sinking fund;

provided, however, that, before any Serial Preferred Stock of any series shall be redeemed at said redemption price thereof specified in clause (a) of this Section 4.9, all moneys at the time in the purchase fund or sinking fund, if any, for Serial Preferred Stock of that series shall first be applied, as nearly as may be, to the purchase or redemption of Serial Preferred Stock of that series as provided in the resolution or resolutions of the Board of Directors providing for such purchase fund or sinking fund. If less than all the outstanding shares of Serial Preferred Stock of any series are to be redeemed, the redemption may be made either by lot or *pro rata* in such manner as may be prescribed by resolution of the Board of Directors. If the shares of Serial Preferred Stock to be redeemed shall be convertible into or exchangeable for shares of stock of the Corporation, the notice of redemption shall refer to such rights of conversion or exchange and shall state the date upon which such rights will cease and terminate. The Corporation may, if it shall so elect, provide moneys for the payment of the redemption price by depositing the amount thereof for the account of the holders of Serial Preferred Stock entitled thereto with a bank or trust company doing business in the Borough of Manhattan, City and State of New York, and having capital and surplus of at least \$5,000,000. The date upon which such deposit may be made by the Corporation (hereinafter called the date of deposit) shall be prior to the date fixed as the date of redemption but not earlier than the date on which notice thereof shall be given. In any such case there shall be included in the notice of redemption a statement of the date of deposit and of the name and address of the bank or trust company with which the deposit has been or will be made. On and after the date fixed in any such notice of redemption as the date of redemption (unless default shall be made by the Corporation in providing moneys for the payment of the redemption price pursuant to such notice) or, if the Corporation shall have made such deposit on or before the date specified therefor in the notice, then on and after the date of deposit, all rights as shareholders of the Corporation of the holders of the Serial Preferred Stock to be redeemed, except the right to receive the redemption price as hereinafter provided, and, in the case of such deposit, except any conversion or exchange rights not theretofore expired, shall cease and terminate. Such conversion or exchange rights, however, in any event shall cease and terminate upon the date fixed for redemption or upon any earlier date specified in Section 4.15, 4.16, 4.17 or 4.18 or fixed by the Board of Directors pursuant to Section 4.4 of this Article Fourth for termination of such conversion or exchange rights. Anything herein contained to the contrary notwithstanding, said redemption price shall include an amount equal to accrued dividends on the Serial Preferred Stock to be redeemed to the date fixed for the redemption thereof and the Corporation shall not be required to declare or pay on such Serial Preferred Stock to be redeemed, and the holders thereof shall not be entitled to receive any dividends in addition to those thus included in the redemption price; provided, however, that the Corporation may pay in regular course any dividends thus included in the redemption price either to the holders of record on the record date fixed for the determination of shareholders entitled to receive such dividends (in which event, anything herein to the contrary notwithstanding, the amount so deposited need not include any dividends so paid or to be paid) or as a part of the redemption price upon surrender of the certificates for the shares redeemed. At any time on or after the date fixed as aforesaid for such redemption or, if the Corporation shall elect to deposit the moneys for such redemption as herein provided, then at any time on or after the date of deposit and without awaiting the date fixed as aforesaid for such redemption, the respective holders of record of the Serial Preferred Stock to be redeemed shall be entitled to receive the redemption price upon actual delivery to the Corporation, or, in the event of such deposit, to the bank or trust company with which such deposit shall be made, of certificates for the shares to be redeemed, such certificates, if required, to be properly stamped for transfer and duly endorsed in blank or accompanied by proper instruments of assignment and transfer thereof duly executed in blank. Any moneys so deposited which shall not be required for such redemption because of the exercise of any right of conversion or exchange shall be returned to the Corporation. Any moneys so deposited which shall remain unclaimed by the holders of such Serial Preferred Stock at the end of six years after the redemption date shall be paid by such bank or trust company to the Corporation and any interest accrued on moneys so deposited shall belong to the Corporation and shall be paid to it from time to time.

4.10. Shares of any series of Serial Preferred Stock which have been redeemed (whether through the operation of a purchase fund or sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or classes shall forthwith be

retired and canceled and the number of authorized shares of Serial Preferred Stock shall be decreased by the number of shares so redeemed, converted or exchanged.

4.11. The term "date of cumulation" whenever used in this Article Fourth with reference to any series of Serial Preferred Stock shall be deemed to mean the date specified in Section 4.15, 4.16, 4.17, 4.18 or 4.20 or fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth as the date of cumulation from and after which dividends on shares of such series shall accumulate or, if no date shall have been so fixed, the date on which shares of such series are first issued. Whenever used in this Article Fourth with reference to any share of any series of Serial Preferred Stock, the term "full cumulative dividends" shall be deemed to mean (whether or not in any dividend period, or any part thereof, in respect of which such term is used there shall have been net profits or net assets of the Corporation legally available for the payment of such dividends) that amount which shall be equal to dividends at the full rate specified in Section 4.15, 4.16, 4.17, 4.18 or 4.20 or fixed by the Board of Directors as provided in Section 4.4 of this Article Fourth as the dividend rate of such series for the period of time elapsed from the date of cumulation of such series to the date as of which full cumulative dividends are to be computed (including an amount equal to the dividend at such rate for any fraction of a dividend period included in such period of time); and the term "accrued dividends" shall be deemed to mean full cumulative dividends to the date as of which accrued dividends are to be computed, less the amount of all dividends paid, or deemed paid as hereinafter in this Section 4.11 provided, upon said share. In the event of the issue of additional shares of Serial Preferred Stock of any series after the original issue of shares of Serial Preferred Stock of such series, all dividends paid or accrued on Serial Preferred Stock of such series prior to the date of issue of such additional Serial Preferred Stock shall be deemed to have been paid on the additional Serial Preferred Stock so issued.

4.12. Subject to the provisions of these Articles of Incorporation and except as otherwise provided by law, the shares of stock of the Corporation, regardless of class, may be issued for such consideration and for such corporate purposes as the Board of Directors may from time to time determine.

4.13. If any proposed amendment to these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights or other special or relative rights of the Serial Preferred Stock so as to affect the Serial Preferred Stock adversely, then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Serial Preferred Stock of all series except the \$1.60 Cumulative Preferred Stock, Convertible Series A (the special voting rights of which in such an event are specified in subsection (b) of Section 4.15) at the time outstanding, considered as a single class without regard to series, shall be necessary for the adoption thereof in addition to any other vote required by law. An amendment to these Articles of Incorporation creating any class of stock ranking prior to the Serial Preferred Stock as to dividends or upon liquidation or increasing the number of authorized shares of such prior class of stock shall be deemed to affect the Serial Preferred Stock adversely within the meaning of this Section 4.13. An amendment to these Articles of Incorporation increasing the number of authorized shares of Serial Preferred Stock or creating any class of stock ranking on a parity with the Serial Preferred Stock as to dividends or upon liquidation or increasing the number of authorized shares of such parity class of stock shall not be deemed to affect the Serial Preferred Stock or any series thereof adversely, but the affirmative vote of the holders of a majority in interest of the Serial Preferred Stock of all series except the \$1.60 Cumulative Preferred Stock, Convertible Series A (the special voting rights of which in such an event are specified in subsection (b) of Section 4.15) at the time outstanding, considered as a single class without regard to series, shall be necessary for the adoption of any such amendment in addition to any other vote required by law. Notwithstanding the provisions of this Section 4.13, if any proposed amendment to these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, classifications, qualifications, privileges, limitations, options, conversion rights or other special or relative rights of any particular series of the Serial Preferred Stock so as to affect such series adversely, such amendment may be adopted by the affirmative vote of the holders of such proportion of the shares of such series then outstanding as shall be required by the provisions of these Articles of Incorporation or the resolution or resolutions providing for the issue of such series, without the vote or consent of

the holders of shares of Serial Preferred Stock of any other series at the time outstanding not adversely affected by such amendment.

4.14. Subject to the provisions of any applicable law, or of the By-laws of the Corporation as from time to time amended, with respect to the fixing of a record date for the determination of shareholders entitled to vote, and except as otherwise provided by law, at each meeting of shareholders each holder of record of Serial Preferred Stock of the first five series, each holder of record of Serial Preferred Stock of any other series which shall have been granted such voting rights by the resolution or resolutions of the Board of Directors providing for the issue of such series, and each holder of record of Common Stock, voting together and not by classes, shall be entitled to one vote for each share of such stock held by him on all matters that may come before such meeting, except that at all elections of directors of the Corporation each such shareholder of record shall be entitled to as many votes as shall equal the number of votes which (except for this provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit. In addition to the foregoing voting rights, if at the time of any annual meeting of shareholders for the election of directors a default in preference dividends on the Serial Preferred Stock, as hereinafter defined, shall exist, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Serial Preferred Stock of all series (whether or not the holders of such series of Serial Preferred Stock would be entitled to vote for the election of directors if such default in preference dividends did not exist), except the \$1.60 Cumulative Preferred Stock, Convertible Series A (the special voting rights of which upon a default in preference dividends are specified in subsection (g) of Section 4.15), shall have the right at such meeting, voting together by cumulative voting as a single class without regard to series, to the exclusion of the holders of Junior Stock, to elect two directors of the Corporation to fill such newly created directorships. Such right shall continue until there are no dividends in arrears upon the Serial Preferred Stock. Each director elected by the holders of shares of such series of Serial Preferred Stock (herein called a Serial Preferred Director), shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Serial Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of such series of Serial Preferred Stock, voting together as a single class without regard to series, at a meeting of the shareholders, or of the holders of shares of such series of Serial Preferred Stock, called for the purpose. So long as a default in any preference dividends on the Serial Preferred Stock shall exist (a) any vacancy in the office of a Serial Preferred Director may be filled (except as provided in the following clause (b)) by an instrument in writing signed by the remaining Serial Preferred Director and filed with the Corporation, and (b) in the case of the removal of any Serial Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding shares of such series of Serial Preferred Stock, voting together as a single class without regard to series, at the same meeting at which such removal shall be voted. Each director elected as aforesaid by the remaining Serial Preferred Director shall be deemed, for all purposes hereof, to be a Serial Preferred Director. Whenever the term of office of the Serial Preferred Directors shall end and a default in preference dividends shall no longer exist, the number of directors constituting the Board of Directors of the Corporation shall be reduced by two. For the purposes of this Section 4.14, a "default in preference dividends" on the Serial Preferred Stock shall be deemed to have occurred whenever the amount of accrued dividends upon any series of the Serial Preferred Stock shall be equivalent to six full quarter-yearly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all shares of Serial Preferred Stock of each and every series then outstanding shall have been paid to the end of the last preceding quarterly dividend period.

4.15. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the first series of Serial Preferred Stock are as follows:

(a) The distinctive designation of such series is "\$1.60 Cumulative Preferred Stock, Convertible Series A" (herein called the Series A Preferred) and the number of shares which shall

constitute such series is 366,076 shares, *provided* that the number of shares of such series shall not exceed the number of shares of such series originally issued in the merger of Colt Industries Inc, a Delaware corporation (herein called Colt), into the Corporation pursuant to the Plan and Agreement of Merger dated as of March 15, 1976, between Colt and the Corporation (herein called the Merger).

(b) The dividend rate of the Series A Preferred shall be \$1.60 per share per annum; such dividends shall be cumulative; and April 1, 1976, shall be the date of cumulation from and after which such dividends shall accumulate if the Series A Preferred shall be issued prior to June 30, 1976, and the first day of the calendar quarter in which the Series A Preferred shall be issued shall be the date of cumulation from and after which such dividends shall accumulate if the Series A Preferred shall be issued subsequent to June 30, 1976. Holders of shares of Series A Preferred shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative cash dividends at said rate.

(c) The shares of Series A Preferred shall be redeemable at the option of the Corporation, in whole or in part, at any time. The amount payable per share upon the exercise of such right to redeem shares of Series A Preferred shall be \$41 per share plus an amount equal to accrued dividends thereon to the date fixed for such redemption.

(d) Upon any voluntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$41 per share, plus an amount equal to accrued dividends thereon to such time. Upon any involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$40 per share, plus an amount equal to accrued dividends thereon to such time. The consolidation or merger of the Corporation with any other corporation or corporations shall not be deemed a liquidation, dissolution or winding up of the Corporation within the meaning of this subsection, *provided* that any such consolidation or merger shall have been approved by the affirmative vote of the holders of two-thirds of the total number of shares of Series A Preferred then outstanding, voting separately as a class to the exclusion of the holders of Serial Preferred Stock of all other series.

(e) The shares of Series A Preferred shall not be entitled to the benefit of any purchase fund or sinking fund.

(f) At the election of the respective holders thereof, any and all shares of Series A Preferred may be converted, at any time or, in case of stock called for redemption, up to and including the fifth day preceding the date fixed for redemption thereof, into fully paid and nonassessable shares of Common Stock at the rate of two and two-thirds ($2\frac{2}{3}$) shares of Common Stock for each five (5) shares of Series A Preferred, upon presentation and surrender to the Corporation for such purpose of certificates for the Series A Preferred so to be converted at the office or agency of the Corporation in the Borough of Manhattan, City and State of New York, all under such appropriate regulations as may from time to time be prescribed by the Board of Directors: *provided, however*, that in the event of an increase at any time in the number of shares of Common Stock outstanding as the result of any split-up by reclassification or otherwise of shares of the outstanding Common Stock, or as the result of any stock dividend payable in Common Stock (except stock dividends which in the aggregate, in any calendar year, do not exceed seven and one-half percent ($7\frac{1}{2}\%$) of the then issued and outstanding Common Stock), the number of shares of Common Stock into which each five (5) shares of Series A Preferred shall thereafter be convertible as aforesaid shall be increased in the same proportion as the number of shares of Common Stock outstanding immediately prior to such split-up or stock dividend in excess of seven and one-half percent ($7\frac{1}{2}\%$) is increased by such split-up or stock dividend, or, in the event that the number of shares of Common Stock at any time outstanding shall be decreased as a result of any combination by reclassification or

otherwise of shares of the outstanding Common Stock, the number of shares of Common Stock into which each five (5) shares of Series A Preferred shall thereafter be convertible as aforesaid shall be decreased in the same proportion as the number of shares of Common Stock outstanding immediately prior to such combination is decreased by said combination. In the event that upon any such adjustment the number of shares of Common Stock into which the Series A Preferred shall be so convertible shall include a fraction of a share, unless the Board of Directors shall otherwise determine, no certificates for fractional shares of Common Stock shall be issued, but, in lieu thereof, the Corporation may either issue scrip certificates which shall entitle the holder to receive a full share of Common Stock upon surrender of two or more such scrip certificates, aggregating a full share and which may contain such terms and provisions and be void after such date as the Board of Directors shall determine, except that their term shall be no less than six years from the date of issuance, or the Board of Directors may make such other appropriate provisions therefor as it shall determine. There shall be no adjustment for dividends or arrears of dividends in the case of any such conversion. So long as there are outstanding any shares of Series A Preferred which at the time are convertible into shares of Common Stock pursuant to the provisions of this subsection, there shall be reserved unissued out of the authorized but unissued shares of Common Stock a number of shares sufficient to provide for such conversion.

(g) Whenever and so long as cumulative dividends upon the Series A Preferred shall be in arrears in an amount equal to six quarterly dividends, the holders of the Series A Preferred, voting separately as a class to the exclusion of the holders of Serial Preferred Stock of all other series and the holders of Junior Stock, shall be entitled at the next ensuing annual meeting of shareholders to vote for the election of two of the directors of the Corporation and such rights shall continue until there are no dividends in arrears upon the Series A Preferred.

(h) If any proposed amendment to these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights or other special or relative rights of the Series A Preferred so as to affect the Series A Preferred adversely then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Series A Preferred at the time outstanding, voting separately as a class to the exclusion of the holders of Serial Preferred Stock of all other series, shall be necessary for the adoption thereof in addition to any other vote required by law. An amendment to these Articles of Incorporation creating any class of stock ranking prior to the Series A Preferred as to dividends or upon liquidation or increasing the number of authorized shares of such prior class of stock shall be deemed to affect the Series A Preferred adversely within the meaning of this subsection. An amendment to these Articles of Incorporation increasing the number of authorized shares of Series A Preferred or increasing the number of authorized shares of Serial Preferred Stock, or creating any class of stock ranking on a parity with the Series A Preferred as to dividends or upon liquidation or increasing the number of authorized shares of such parity class of stock, shall not be so deemed to affect the Series A Preferred adversely, but the affirmative vote of a majority in interest of the Series A Preferred, voting separately as a class as aforesaid, shall be necessary for the adoption of any such amendment in addition to the any other vote required by law.

4.16. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the second series of Serial Preferred Stock are as follows:

(a) The distinctive designation of such series is "\$4.50 Cumulative Preferred Stock, Convertible Series B" (herein called the Series B Preferred) and the number of shares which shall constitute such series is 14,105 shares, *provided* that the number of shares of such series shall not exceed the number of shares of such series originally issued in the Merger, plus 1,000.

(b) The dividend rate of the Series B Preferred shall be \$4.50 per share per annum; such dividends shall be cumulative; and April 1, 1976, shall be the date of cumulation from and after which such dividends shall accumulate if the Series B Preferred shall be issued prior to June 30, 1976,

and the first day of the calendar quarter in which the Series B Preferred shall be issued shall be the date of cumulation from and after which such dividends shall accumulate if the Series B Preferred shall be issued subsequent to June 30, 1976. Holders of shares of Series B Preferred shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative cash dividends at said rate.

(c) The shares of Series B Preferred shall be redeemable at the option of the Corporation, in whole or in part, at any time and from time to time. The amount payable per share upon the exercise of such right to redeem shares of Series B Preferred shall be as follows:

If redeemed during 12 month period ending December 31	Redemption Price	If redeemed during 12 month period ending December 31	Redemption Price
1976	\$102.00	1981	\$100.75
1977	101.75	1982	100.50
1978	101.50	1983	100.25
1979	101.25	1984 (and thereafter)	100.00
1980	101.00		

plus, in each case, an amount equal to accrued dividends thereon to the date fixed for such redemption.

(d) Upon any voluntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the following amounts per share:

If liquidated, dissolved or wound up during the 12 month period ending December 31	Amount	If liquidated, dissolved or wound up during the 12 month period ending December 31	Amount
1976	\$102.00	1981	\$100.75
1977	101.75	1982	100.50
1978	101.50	1983	100.25
1979	101.25	1984 (and thereafter)	100.00
1980	101.00		

plus, in each case, an amount equal to accrued dividends thereon to such time. Upon any involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$100 per share, plus an amount equal to accrued dividends thereon to such time.

(e) The shares of Series B Preferred shall not be entitled to the benefit of any purchase fund or sinking fund.

(f) The shares of Series B Preferred shall be convertible at the option of the respective holders thereof at any time, at the place and in the manner specified in Section 4.19, into fully paid and nonassessable shares (calculated to the nearest $\frac{1}{100}$ of a share) of Common Stock at the price of \$20.05 per share (taking the Series B Preferred at \$100 per share); *provided, however*, that in case of the redemption of any shares of Series B Preferred, such right of conversion shall cease and terminate, as to the shares called for redemption, at the close of business on the fifth day prior to the date fixed for redemption, unless default shall be made in the payment of the redemption price. The price at which shares of Common Stock shall be deliverable in exchange for shares of

3-1-76:19

713

Series B Preferred upon conversion thereof is hereinafter referred to as the "conversion price" of the Series B Preferred. The conversion price shall be subject to adjustment from time to time in certain instances as hereinafter in Section 4.19 provided. For the purposes of this Section 4.16 and Sections 4.17, 4.18 and 4.19, the term "Common Stock" shall mean the Common Stock, par value \$1 per share, of the Corporation authorized on the date (herein called the Effective Date) that the Merger becomes effective, except as otherwise provided in subsection (d)(v) of Section 4.19.

(g) The shares of Series B Preferred shall not have any special voting powers in addition to the voting powers conferred upon the Serial Preferred Stock of all classes by the foregoing provisions of this Article Fourth and the special voting powers conferred upon the shares of Series B Preferred by the provisions of subsection (h) of this Section 4.15.

(h) If any proposed amendment of these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, qualifications privileges, limitations, options, conversion rights or other special or relative rights of the Series B Preferred so as to affect the Series B Preferred adversely (without affecting adversely the Serial Preferred Stock of all other series at the time outstanding), then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Series B Preferred at the time outstanding shall be necessary for the adoption thereof in addition to any other vote required by law.

4.17. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the third series of Serial Preferred Stock are as follows:

(a) The distinctive designation of such series is "\$4.25 Cumulative Preferred Stock, Convertible Series C" (herein called the Series C Preferred) and the number of shares which shall constitute such series is 81,830 shares, provided that the number of shares of such series shall not exceed the number of shares of such series originally issued in the Merger.

(b) The dividend rate of the Series C Preferred shall be \$4.25 per share per annum; such dividends shall be cumulative; and April 1, 1976, shall be the date of cumulation from and after which such dividends shall accumulate if the Series C Preferred shall be issued prior to June 30, 1976, and the first day of the calendar quarter in which the Series C Preferred shall be issued shall be the date of cumulation from and after which such dividends shall accumulate if the Series C Preferred shall be issued subsequent to June 30, 1976. Holders of shares of Series C Preferred shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative cash dividends at said rate.

(c) The shares of Series C Preferred shall be redeemable at the option of the Corporation, in whole or in part, at any time and from time to time. The amount payable per share upon the exercise of such right to redeem shares of Series C Preferred shall be \$102.50 per share plus an amount equal to accrued dividends thereon to the date fixed for such redemption.

(d) Upon any voluntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$102.50 per share, plus an amount equal to accrued dividends thereon to such time. Upon any involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$100 per share, plus an amount equal to accrued dividends thereon to such time.

(e) The shares of Series C Preferred shall not be entitled to the benefit of any purchase fund or sinking fund.

(f) The shares of Series C Preferred shall be convertible at the option of the respective holders thereof at any time, at the place and in the manner specified in Section 4.19, into fully paid and

3-1-76:19

714

nonassessable shares (calculated to the nearest $\frac{1}{100}$ of a share) of Common Stock at the price of \$68.36 per share (taking the Series C Preferred at \$100 per share); *provided, however*, that in case of the redemption of any shares of Series C Preferred, such right of conversion shall cease and terminate, as to the shares called for redemption, at the close of business on the fifth day prior to the date fixed for redemption, unless default shall be made in the payment of the redemption price. The price at which shares of Common Stock shall be deliverable in exchange for shares of Series C Preferred upon conversion thereof is hereinafter referred to as the "conversion price" of the Series C Preferred. The conversion price shall be subject to adjustment from time to time in certain instances as hereinafter in Section 4.19 provided.

Notwithstanding the provisions of subsection (d) of Section 4.19, no adjustment of the conversion price of the Series C Preferred shall be made pursuant to said subsection as a result of or in connection with (i) options granted prior to the Effective Date to employees of the Corporation or any subsidiary pursuant to the Stock Option Plan of Colt or the 1974 Stock Option Plan of Colt assumed by the Corporation, or (ii) options granted subsequent to the Effective Date pursuant to the 1974 Stock Option Plan of Colt assumed by the Corporation or pursuant to any other option plan which shall have been approved by the shareholders of the Corporation, or (iii) the issuance of shares of Common Stock pursuant to any of the abovementioned options (as the number of shares subject thereto may be proportionately increased to give effect to any subdivision thereof or stock dividend thereon and proportionately decreased to give effect to any combination thereof subsequent to the Effective Date), or (iv) any issue or sale of shares of Common Stock to employees of the Corporation or any subsidiary pursuant to any incentive or compensation plan of the Corporation or any subsidiary.

(g) The shares of Series C Preferred shall not have any special voting rights in addition to the voting rights conferred upon the Serial Preferred Stock of all classes by the foregoing provisions of this Article Fourth and the special voting rights conferred upon the shares of Series C Preferred by the provisions of subsection (h) of this Section 4.17.

(h) If any proposed amendment of these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights or other special or relative rights of the Series C Preferred so as to affect the Series C Preferred adversely (without affecting adversely the Serial Preferred Stock of all other series at the time outstanding), then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Series C Preferred at the time outstanding shall be necessary for the adoption thereof in addition to any other vote required by law.

4.18. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the fourth series of Serial Preferred Stock are as follows:

(a) The distinctive designation of such series is "\$4.25 Cumulative Preferred Stock, Convertible Series D" (herein called the Series D Preferred) and the number of shares which shall constitute such series is 777,994 shares, *provided* that the number of shares of such series shall not exceed the number of shares of such series originally issued in the Merger, plus 20,280.

(b) The dividend rate of the Series D Preferred shall be \$4.25 per share per annum; such dividends shall be cumulative; and April 1, 1976, shall be the date of cumulation from and after which such dividends shall accumulate if the Series D Preferred shall be issued prior to June 30, 1976, and the first day of the calendar quarter in which the Series D Preferred shall be issued shall be the date of cumulation from and after which such dividends shall accumulate if the Series D Preferred shall be issued subsequent to June 30, 1976. Holders of shares of Series D Preferred shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative cash dividends at said rate.

(c) The shares of Series D Preferred shall be redeemable at the option of the Corporation, in whole or in part, at any time and from time to time. The amount payable per share upon the exercise of such right to redeem shares of Series D Preferred shall be as follows:

If redeemed during 12 month period ending December 31	Redemption Price	If redeemed during 12 month period ending December 31	Redemption Price
1976	\$103.00	1980	\$101.00
1977	102.50	1981	100.50
1978	102.00	1982 (and thereafter)	100.00
1979	101.50		

plus, in each case, an amount equal to accrued dividends thereon to the date fixed for such redemption.

(d) Upon any voluntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series D Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount specified in subsection (c) of this Section 4.18 as at the time being payable per share (exclusive of accrued dividends), upon the exercise of the right of the Corporation to redeem shares of Series D Preferred plus in each case an amount equal to accrued dividends thereon to such time. Upon any involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series D Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$100 per share, plus an amount equal to accrued dividends thereon to such time.

(e) The shares of Series D Preferred shall not be entitled to the benefit of any purchase fund or sinking fund.

(f) Each share of Series D Preferred shall be convertible at the option of the holder thereof at any time, at the place and in the manner specified in Section 4.19, into one and thirty-nine one hundredths (1.39) fully paid and nonassessable shares (calculated to the nearest $\frac{1}{100}$ of a share) of Common Stock, being equivalent to a conversion price of \$71.94 per share (taking the Series D Preferred at \$100 per share); *provided, however*, that in case of the redemption of any shares of Series D Preferred, such right of conversion shall cease and terminate, as to the shares called for redemption, at the close of business on the fifth day prior to the date fixed for redemption, unless default shall be made in the payment of the redemption price. The price at which shares of Common Stock shall be deliverable in exchange for shares of Series D Preferred upon conversion thereof is hereinafter referred to as the "conversion price" of the Series D Preferred. The conversion price shall be subject to adjustment from time to time in certain instances as hereinafter in Section 4.19 provided.

Notwithstanding the provisions of subsection (d) of Section 4.19, no adjustment of the conversion price of the Series D Preferred shall be made pursuant to said subsection as a result of or in connection with (i) options granted prior to the Effective Date under the Stock Option Plan of Colt or the 1974 Stock Option Plan of Colt assumed by the Corporation, or (ii) options granted subsequent to the Effective Date pursuant to the 1974 Stock Option Plan of Colt assumed by the Corporation or pursuant to any other option plan which shall have been approved by the shareholders of the Corporation, or (iii) the issuance of shares of Common Stock pursuant to any of the above mentioned options (as the number of shares subject thereto may be proportionately increased to give effect to any subdivision thereof or stock dividend thereon and proportionately decreased to give effect to any combination thereof subsequent to the Effective Date), or (iv) any issue or

sale of shares of Common Stock in the treasury of the Corporation to employees of the Corporation or any subsidiary pursuant to any incentive or compensation plan of the Corporation or any subsidiary.

(g) The shares of Series D Preferred shall not have any special voting rights in addition to the voting rights conferred upon the Serial Preferred Stock of all classes by the foregoing provisions of this Article Fourth and the special voting rights conferred upon the shares of Series D Preferred by the provisions of subsection (h) of this Section 4.18.

(h) If any proposed amendment to these Articles of Incorporation would alter or change the voting rights, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights or other special or relative rights of the Series D Preferred so as to affect the Series D Preferred adversely (without affecting adversely the Serial Preferred Stock of all other series at the time outstanding), then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Series D Preferred at the time outstanding shall be necessary for the adoption thereof in addition to any other vote required by law.

4.19. The following provisions shall be applicable to every conversion into Common Stock of shares of Series B Preferred, Series C Preferred and Series D Preferred (herein collectively called Convertible Preferred, which term shall include, where the context requires, shares of Series B Preferred or Series C Preferred or Series D Preferred, considered as a single series) and to every adjustment of the conversion price of shares of Convertible Preferred:

(a) Before any holder of shares of Convertible Preferred shall be entitled to convert the same into Common Stock, he shall surrender the certificate or certificates for such shares of Convertible Preferred at the office of the transfer agent for the Convertible Preferred located in the Borough of Manhattan, City and State of New York, or at such other place, if any, as the Board of Directors of the Corporation may determine, which certificate or certificates, if the Corporation shall so request, shall be duly endorsed to the Corporation or in blank or accompanied by proper instruments of transfer to the Corporation or in blank, and shall give written notice to the Corporation at said office that he elects so to convert said shares of Convertible Preferred, and shall state in writing therein the name or names in which he wishes the certificate or certificates for Common Stock to be issued. Every such notice of election to convert shall constitute a contract between the holder of such shares of Convertible Preferred and the Corporation, whereby the holder of such shares of Convertible Preferred shall be deemed to subscribe for the amount of Common Stock which he shall be entitled to receive upon such conversion, and, in satisfaction of such subscription, to deposit the shares of Convertible Preferred to be converted and to release the Corporation from all liability thereunder, and thereby the Corporation shall be deemed to agree that the amount paid to it for such shares of Convertible Preferred, together with the surrender of the certificate or certificates therefor and the extinguishment of liability thereon, shall constitute full payment of such subscription for Common Stock to be issued upon such conversion.

(b) The Corporation will, as soon as practicable after such deposit of certificates for shares of Convertible Preferred accompanied by the written notice and the statement above prescribed, issue and deliver at the office of said transfer agent to the person for whose account such shares of Convertible Preferred were so surrendered, or to his nominee or nominees, certificates for the number of full shares of Common Stock to which he shall be entitled as aforesaid, together with a cash adjustment of any fraction of a share as hereinafter stated, if not evenly convertible. Subject to the following provisions of this subsection, such conversion shall be deemed to have been made as of the date of such surrender of the shares of Convertible Preferred to be converted; and the person or persons entitled to receive the Common Stock issuable upon conversion of such shares of Convertible Preferred shall be treated for all purposes as the record holder or holders of such Common Stock on such date. The Corporation shall not be required to convert, and no surrender of shares of Convertible Preferred shall be effective for that purpose, while the stock transfer books of the Corporation are closed for any purpose provided by statute or the By-Laws of the Cor-

poration; but the surrender of shares of Convertible Preferred for conversion during any period while such books are so closed shall become effective for conversion immediately upon the reopening of such books, as if the conversion had been made on the date such shares of Convertible Preferred were surrendered, and at the conversion price in effect at the date of such surrender.

(c) The Corporation shall not be required to issue any fractional shares of Common Stock upon conversion of shares of Convertible Preferred. If any fractional interest in a share of Common Stock shall be deliverable upon the conversion of any share or shares of Convertible Preferred, the Corporation shall purchase such fractional interest for an amount in cash (computed to the nearest cent) equal to the current market value of such fractional interest computed on the basis of the last reported sale price (or bid price if there be no sale) of the Common Stock on the New York Stock Exchange on the date of conversion, or on the principal market for the Common Stock on the date of conversion if the New York Stock Exchange is not such principal market.

(d) The conversion price of the shares of Convertible Preferred shall be subject to adjustment from time to time as follows:

(i) In case the Corporation shall at any time or from time to time issue or sell any shares of Common Stock, whether authorized and unissued or in the treasury of the Corporation (not including Common Stock issued upon conversion of shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred), without consideration or for a consideration per share less than the conversion price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale said conversion price shall (until the time of another such issue or sale) be reduced to a price (calculated to the nearest cent) determined by dividing (1) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale, multiplied by the then existing conversion price, and (y) the consideration, if any, received by the Corporation upon such issue or sale, by (2) the total number of shares of Common Stock outstanding immediately after such issue or sale. For the purposes hereof, the number of shares of Common Stock outstanding, at any given time, shall not include shares in the treasury of the Corporation, but shall include shares issuable in respect of scrip certificates representing fractional interests with respect to shares of Common Stock (except that, in applying the provisions of this subsection to the Series C Preferred, shares of Common Stock in the treasury of the Corporation shall be treated as outstanding and shares issuable in respect of scrip certificates representing such fractional interests shall not be treated as outstanding).

For the purpose of this subparagraph (i) the following provisions shall also be applicable:

A. In case the Corporation shall in any manner offer any rights to subscribe for or to purchase shares of its Common Stock, or grant any options, other than to officers and employees of the Corporation or a subsidiary of the Corporation for incentive purposes within the limits set forth in whichever of Section 4.16, 4.17 or 4.18 of this Article Fourth shall be applicable, for the purchase of shares of Common Stock, at a price less than the conversion price in effect immediately prior to the time of the offering of such rights or the granting of such options, as the case may be, all shares of Common Stock which the holders of such rights or options shall be entitled to subscribe for or purchase pursuant to such rights or options shall be deemed to have been issued or sold as of the date of the offering of such rights or the granting of such options, as the case may be, and the minimum aggregate consideration named in such rights or options for the shares of Common Stock covered thereby, plus the consideration received by the Corporation for such rights or options, shall be deemed to be the consideration actually received by the Corporation (as of the date of the offering of such rights or the granting of such options, as the case may be) for the issue or sale of such shares.

B. In case the Corporation shall in any manner issue or sell any shares of any class (other than the Convertible Preferred) or obligations directly or indirectly convertible into

or exchangeable for shares of Common Stock and the price per share for which shares of Common Stock are deliverable upon such conversion or exchange (determined by dividing (x) the total amount received or receivable by the Corporation in consideration of the issue or sale of such convertible shares or obligations, plus the minimum total amount of premiums, if any, payable to the Corporation upon conversion or exchange, by (y) the total maximum number of shares of Common Stock necessary to effect the conversion or exchange of all such convertible shares or obligations) shall be less than the conversion price in effect immediately prior to the time of such issue or sale, then such issue or sale shall be deemed to have been an issue or sale (as of the date of issue or sale of such convertible shares or obligations) of the total maximum number of shares of Common Stock necessary to effect the exchange or conversion of all such convertible shares or obligations, and the gross amount received or receivable by the Corporation in consideration of the issue or sale of such convertible shares or obligations, plus the minimum aggregate amount of premiums, if any, payable to the Corporation upon exchange or conversion, shall be deemed to be the consideration actually received (as of the date of the issue or sale of such convertible shares or obligations) for the issue or sale of such shares of Common Stock.

C. In case any dividends on the Common Stock payable in Common Stock shall be declared or paid by the Corporation, the Common Stock so issued shall be deemed to have been issued without consideration. Any dividend or distribution referred to in this clause C shall be deemed to have been paid or made on the day following the date fixed for the determination of stockholders entitled to receive such dividend or distribution.

D. In determining the amount of consideration received by the Corporation for its Common Stock, securities convertible thereinto, or rights or options for the purchase thereof, no deduction shall be made for expenses or underwriting discounts or commissions. The Board of Directors of the Corporation shall determine the fair value of any consideration other than money received by the Corporation upon any such issue and similarly the Board of Directors of the Corporation shall, in case any of the foregoing securities are issued with other stock, securities or assets of the Corporation, determine what part of the consideration received therefor is applicable to the issue of the Common Stock, securities convertible thereinto or rights or options for the purchase thereof.

E. In case of the issue at any time of additional shares of Common Stock in payment of any dividend on any preferred stock of the Corporation, the Corporation shall be deemed to have received for such shares a consideration equal to the conversion price in effect at such time.

F. In the event that the conversion price shall have been adjusted by reason of the issuance by the Corporation of any rights, options or convertible securities referred to in the foregoing clauses A and B of this subparagraph (i), and any of such rights or options or conversion privileges of such convertible securities shall expire unexercised, the applicable conversion price shall again be adjusted to give effect only to such dilution as shall have resulted from the exercise or conversion of such rights, options or convertible securities.

(ii) In case the shares of Common Stock at any time outstanding shall be subdivided into a greater or combined into a lesser number of shares of Common Stock (whether with or without par value), the number of shares of Common Stock into which each share of Convertible Preferred shall thereafter be convertible (subject to further adjustment as herein provided) shall be proportionately increased or decreased, as the case may be, and the conversion price shall be correspondingly decreased or increased, as the case may be, to produce such result.

(iii) Whenever the conversion price shall be adjusted as required by the provisions of this subsection, the Corporation shall forthwith file with the transfer agent for the shares of

Convertible Preferred in the Borough of Manhattan, City and State of New York, and with the transfer agents for the Common Stock, a statement signed by the President, or one of the Vice Presidents, of the Corporation and by its Treasurer or an Assistant Treasurer, stating the adjusted conversion price determined as provided in this subsection. Such statement shall show in reasonable detail the facts requiring such adjustment, including a statement of the consideration received by the Corporation for any additional stock issued or sold. Where appropriate, such notice may be given in advance and included as a part of a notice required to be mailed and published under the provisions of subparagraph (iv) of this subsection.

(iv) If at any time the Corporation shall pay any dividend or make any other distribution upon its Common Stock other than a dividend payable in cash or in Common Stock, or shall offer to the holders of its Common Stock for subscription or purchase by them any shares of stock of any class or any other rights, or take any action contemplated by subparagraph (v) of this subsection, the Corporation shall cause at least ten days' prior notice to be mailed to the transfer agent for the shares of the Convertible Preferred in the Borough of Manhattan, City and State of New York, and to the holders of record of the outstanding shares of Convertible Preferred on the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of record of Common Stock to be entitled to such dividend, distribution or rights are to be determined, or (y) the reclassification, change, consolidation, merger, sale or transfer referred to in subparagraph (v) of this subsection is expected to become effective, and the date as of which it is expected that holders of record of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, change, consolidation, merger, sale or transfer. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any dividend, distribution or right.

(v) In case of any reclassification or change of outstanding shares of Common Stock issuable upon conversion of the shares of Convertible Preferred (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any consolidation or merger of the Corporation with or into another corporation (other than a merger with another corporation in which the Corporation is the continuing corporation and which does not result in any reclassification or change (other than a change as aforesaid) of outstanding shares of Common Stock issuable upon conversion of the shares of Convertible Preferred), or in case of any sale or transfer to another corporation of the property of the Corporation as an entirety or substantially as an entirety, each share of Convertible Preferred shall thereafter be convertible into the number of shares of stock or other securities of the Corporation, or of the successor corporation resulting from such consolidation or merger, or of the acquiring corporation in the case of such sale or transfer, as the case may be, to which the Common Stock of the Corporation, deliverable upon conversion of such share of Convertible Preferred, would have been entitled upon such reclassification or change, consolidation or merger, or sale or transfer; and, in any event, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to rights and interest thereafter of the holders of shares of Convertible Preferred, to the end that the provisions set forth herein (including the specified changes in and other adjustments of the conversion price) shall thereafter be applicable, as near as reasonably may be, in relation to any shares or other property thereafter deliverable upon the conversion of shares of Convertible Preferred.

(e) The issue of stock certificates on conversions of shares of Convertible Preferred shall be made without charge to the converting holder thereof for any tax in respect of the issue thereof. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the holder of any shares of Convertible Preferred converted, and the Corporation shall not be required to issue or deliver any such stock certificate, unless and until the person or persons requesting the issue

thereof shall have paid to the Corporation the amount of such tax or shall have established to its satisfaction that such tax has been paid.

(f) Upon any conversion of shares of Convertible Preferred, the shares of Convertible Preferred so converted shall be retired and canceled, and the number of shares of Convertible Preferred and of Serial Preferred Stock which the Corporation shall have authority to issue shall be decreased by the number of shares of Convertible Preferred so converted. The Corporation shall at all times reserve and keep available out of its treasury stock and/or authorized but unissued stock, for the purpose of effecting the conversion of the shares of Convertible Preferred, such number of such shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Convertible Preferred; and if at any time such number of such shares of Common Stock shall not be sufficient to effect the conversion of all outstanding shares of Convertible Preferred at the conversion price then in effect, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(g) No adjustment of the conversion price of the Convertible Preferred shall be made unless, by reason of the happening of any one or more of the events specified in this Section 4.19, the conversion price then in effect shall be changed by fifty cents or more, but any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, together with any adjustment or adjustments so carried forward, amounts to fifty cents or more per share of Common Stock. For purposes of the first adjustment of the conversion price of each of the Series B Preferred, the Series C Preferred and the Series D Preferred after the Effective Date, there shall be deemed to be carried forward 40.32 cents in the case of the Series B Preferred, 31.30 cents in the case of the Series C Preferred and 33.97 cents in the case of the Series D Preferred. Upon conversion, the Corporation shall not make any payment or adjustment on account of dividends accrued or in arrears on the shares of Convertible Preferred surrendered for conversion.

4.20. The voting rights, designations, restrictions, preferences, qualifications, privileges, limitations, options, conversion rights and other special or relative rights of the fifth series of Serial Preferred Stock are as follows:

(a) The distinctive designation of such series is "\$2.75 Cumulative Preferred Stock, Series E" (herein called the Series E Preferred) and the number of shares which shall constitute such series is 62,359 shares, *provided* that the number of shares of such series shall not exceed the number of shares of such series originally issued in the Merger, plus 917.

(b) The dividend rate of the Series E Preferred shall be \$2.75 per share per annum; such dividends shall be cumulative; and April 1, 1976, shall be the date of cumulation from and after which such dividends shall accumulate if the Series E Preferred shall be issued prior to June 30, 1976, and the first day of the calendar quarter in which the Series E Preferred shall be issued shall be the date of cumulation from and after which such dividends shall accumulate if the Series E Preferred shall be issued subsequent to June 30, 1976. Holders of shares of Series E Preferred shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative cash dividends at said rate.

(c) The shares of Series E Preferred shall be redeemable at the option of the Corporation, in whole or in part, at any time and from time to time. The amount payable per share upon the exercise of such right to redeem shares of Series E Preferred shall be \$55.00 per share plus an amount equal to accrued dividends thereon to the date fixed for such redemption.

(d) Upon any voluntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series E Preferred shall be entitled to be paid, at the time thereof, in cash out of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$55.00 per share, plus an amount equal to accrued dividends thereon to such time. Upon any involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series E Preferred shall be entitled to be paid, at the time thereof, in cash out

of the assets of the Corporation, before any distribution or payment shall be made to the holders of any Junior Stock, the amount of \$53.00 per share, plus an amount equal to accrued dividends thereon to such time.

(e) The shares of Series E Preferred shall not be entitled to the benefit of any purchase fund or sinking fund.

(f) The shares of Series E Preferred shall not be convertible.

(g) The shares of Series E Preferred shall not have any special voting rights in addition to the voting rights conferred upon the Serial Preferred Stock of all classes by the foregoing provisions of this Article Fourth and the special voting rights conferred upon the shares of Series E Preferred by the provisions of subsection (h) of this Section 4.20.

(h) If any proposed amendment of these Articles of Incorporation of the Corporation would alter or change the voting rights, restrictions, preferences, qualifications, privileges, limitations, options or other special or relative rights of the Series E Preferred so as to affect the Series E Preferred adversely (without affecting adversely the Serial Preferred Stock of all other series at the time outstanding), then the affirmative vote of the holders of two-thirds of the aggregate number of shares of Series E Preferred at the time outstanding shall be necessary for the adoption thereof in addition to any other vote required by law.

4.21. A holder of stock of the Corporation of any class (other than stock which by its terms is convertible into or exchangeable for stock of the Corporation of any other class or other securities of the Corporation convertible into or exchangeable for stock of the Corporation) shall not have any right as such holder (other than such right, if any, as the Board of Directors in its discretion may by resolution determine) to purchase, subscribe for or otherwise acquire any shares of stock of the Corporation of any class now or hereafter authorized, or any securities convertible into or exchangeable for any such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire any such shares, whether such shares, securities, warrants or other instruments are now or shall hereafter be authorized and unissued or issued and thereafter acquired by the Corporation. Shares of stock of the Corporation of any class, and any such securities, warrants or other instruments, may be issued and disposed of to such persons and upon such terms and for such lawful consideration as may be deemed advisable by the Board of Directors.

ARTICLE FIFTH

The names and post office addresses of the directors of the Corporation who, subject to the provisions of the By-Laws of the Corporation and the laws of the Commonwealth of Pennsylvania, shall hold office until the election and qualification of their respective successors, are as follows:

<u>Name</u>	<u>Post Office Address</u>
William D. Ford	430 Park Avenue New York, N. Y. 10022
David I. Margolis	430 Park Avenue New York, N. Y. 10022
George A. Strichman	430 Park Avenue New York, N. Y. 10022

ARTICLE SIXTH

The name and post office address of the sole incorporator of the Corporation is William D. Ford, 430 Park Avenue, New York, New York 10022. The number and class of shares of the Corporation subscribed for by the incorporator are one (1) share of Common Stock.

ARTICLE SEVENTH

The number of directors of the Corporation shall be fixed from time to time by, or in the manner provided in, the By-Laws and may be increased or decreased as therein provided, but the number thereof shall not be less than three.

ARTICLE EIGHTH

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

- (1) To make, amend and/or repeal the By-Laws of the Corporation.
- (2) To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.
- (3) To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.
- (4) By resolution adopted by a majority of the whole Board, to designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in such resolution or in the By-Laws of the Corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; *provided, however*, the By-Laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director of the Corporation to act at the meeting in the place of any such absent or disqualified member.
- (5) When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a shareholders' meeting duly called upon such notice as is required by statute, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Corporation.
- (6) From time to time to fix and determine and to vary the amount to be reserved as working capital of the Corporation and, before payment of any dividends or making any distribution of profits, it may set aside out of the surplus or net profits of the Corporation such sum or sums as it may from time to time in its absolute discretion think proper, whether as a reserve fund to meet contingencies or for the equalizing of dividends or for repairing or maintaining any property of the Corporation or for such other corporate purposes as the Board of Directors shall think conducive to the interests of the Corporation, subject only to such limitations as the By-Laws of the Corporation may from time to time impose, and the Board of Directors may also increase, decrease and/or abolish any such reserve or reserves; and to make and determine the use and disposition of any surplus or net profits over and above the capital of the Corporation.

ARTICLE NINTH

No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

- (1) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith

authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(2) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or

(3) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE TENTH

Meetings of shareholders may be held within or without the Commonwealth of Pennsylvania, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the Commonwealth of Pennsylvania at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation. Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

ARTICLE ELEVENTH

Except as set forth in the penultimate paragraph of this Article Eleventh, the affirmative vote or consent of the holders of 80% of all shares of stock of the Corporation entitled to vote on all matters that may come before each meeting of shareholders, voting together without regard to class, shall be required (a) for the adoption of any agreement or plan for the merger or consolidation of the Corporation with or into any other corporation, or (b) to authorize any sale or lease of all or any substantial part of the assets of the Corporation to, or any sale or lease to the Corporation or any subsidiary thereof in exchange for securities of the Corporation of any assets (except assets having an aggregate fair market value of less than \$10,000,000) of, any other corporation, person or other entity, if, in either case, as of the record date for the determination of shareholders entitled to notice thereof and to vote thereon or consent thereto such other corporation, person or entity is the beneficial owner, directly or indirectly, of more than 10% of the outstanding shares of stock of the Corporation entitled to vote on all matters that may come before each meeting of shareholders. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the stock of the Corporation otherwise required by law or any agreement between the Corporation and any national securities exchange.

For the purposes of this Article Eleventh, (x) any corporation, person or other entity shall be deemed to be the beneficial owner of any shares of stock of the Corporation (i) which it has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, or (ii) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (i), above), by any other corporation, person or entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of the Corporation, or which is its "affiliate" or "associate" as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on January 1, 1976, and (y) the outstanding shares of any class of stock of the Corporation shall include shares deemed owned through application of clauses (i) and (ii) above but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

The Board of Directors shall have the power and duty to determine for the purposes of this Article Eleventh, on the basis of information known to the Corporation, whether (i) such other corporation, person or other entity beneficially owns more than 10% of the outstanding shares of stock of the Corporation entitled to vote on all matters that may come before each meeting of shareholders, (ii) a corporation, person, or entity is an "affiliate" or "associate" (as defined above) of another

corporation, (iii) the assets being acquired by the Corporation, or any subsidiary thereof, have an aggregate fair market value of less than \$10,000,000 and (iv) the memorandum of understanding referred to below is substantially consistent with the transaction covered thereby. Any such determination shall be conclusive and binding for all purposes of this Article Eleventh.

The provisions of this Article Eleventh shall not be applicable to (i) any merger or consolidation of the Corporation with or into any other corporation, or any sale or lease of all or any substantial part of the assets of the Corporation to, or any sale or lease to the Corporation or any subsidiary thereof in exchange for securities of the Corporation of any assets of, any corporation, if the Board of Directors shall by resolution or resolutions have approved a memorandum of understanding with such other corporation with respect to and substantially consistent with such transaction prior to the time that such other corporation shall have become a holder of more than 10% of the outstanding shares of stock of the Corporation entitled to vote on all matters that may come before each meeting of shareholders or (ii) any merger or consolidation of the Corporation with, or any sale or lease to the Corporation or any subsidiary thereof of any of the assets of, any corporation of which a majority of the outstanding shares of all classes of stock entitled to vote in elections of directors is owned of record or beneficially by the Corporation and its subsidiaries.

No amendment to these Articles of Incorporation shall amend, alter, change or repeal any of the provisions of this Article Eleventh, unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote or consent of the holders of 80% of all shares of stock of the Corporation entitled to vote on all matters that may come before each meeting of shareholders, voting together without regard to class.

ARTICLE TWELFTH

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.

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Commonwealth of Pennsylvania

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Department of State

To All to Whom These Presents Shall Come, Greeting:

Whereas, In and by Article VIII of the Business Corporation Law, approved the fifth day of May, Anno Domini one thousand nine hundred and thirty-three, P. L. 364, as amended, the Department of State is authorized and required to issue a

CERTIFICATE OF AMENDMENT

evidencing the amendment and restatement of the Articles of Incorporation in their entirety of a business corporation organized under or subject to the provisions of that Law; and

Whereas, The stipulations and conditions of that Law pertaining to the amendment of Articles of Incorporation have been fully complied with by

COLT INDUSTRIES PENNSYLVANIA CORPORATION
name changed to:
COLT INDUSTRIES INC

Henceforth The "Articles," as defined in Article I of the Business Corporation Law, shall not include any prior documents;

Therefore, Know Ye, That subject to the Constitution of this Commonwealth and under authority of the Business Corporation Law, I do by these presents, which I have caused to be Sealed with the Great Seal of the Commonwealth, extend the rights and powers of the corporation named above, in accordance with the terms and provisions of the Articles of Amendment presented by it to the Department of State, with full power and authority to use and enjoy such rights and powers, subject to all the provisions and restrictions of the Business Corporation Law and all other applicable laws of this Commonwealth.

Given under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 6th day of May in the year of our Lord one thousand nine hundred and seventy-six and of the Commonwealth the two hundredth.

C. McLaughlin Tucker

Secretary of the Commonwealth he